

UZZL

901.04-00

Internal Revenue Service
District Director

Department of the Treasury

Date: September 4, 1998

Form Number:

990

Tax Period:

In Reply Refer to:

Person to Contact:

Contact Telephone Number:

Dear Sir or Madam:

We have enclosed a copy of our examination report explaining why we believe an adjustment to your organization's exempt status is necessary.

If you do not accept our findings, you may appeal the proposed adverse determination through our office to the Office of the Regional Director of Appeals. To request Appeals consideration, you should follow the instructions in the enclosed Publication 892. We will then forward your request to the Office of Regional Director of Appeals. If you request a hearing, they will contact you to arrange a mutually convenient time and place. When you write, please provide your daytime telephone number and most convenient time for us to call in case we need to contact you.

You may also request that we refer this matter to the National Office for technical advice, as explained in Publication 892. If a determination letter is issued to you based on technical advice from the National Office, no further administrative appeal is available to you within the Service on the issue that was the subject of technical advice.

If you accept our findings, you do not need to take further action. If we do not hear from you within 30 days from the date of this letter, we will process your case on the basis of the recommendations shown in the examination report and this letter will become final. In that event, you will be required to file Federal income tax returns for the tax period(s) shown above. File these returns with your key District Director for exempt organization matters within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,

Glenn E. Henderson
District Director

Enclosures:

Examination Report
Publication 892
Envelope

EP/EO Information Report

File Folder Number

Forward Report to:

Organization/Taxpayer/Employer Name

Street Address

City, State, ZIP Code

Source of Information:

☐ Application Request

☐ Amendment

☐ Prior Year Exam

☐ Related Examination

☐ Unrelated Exam

☒ Other (indicate below)

primary exam of Form 990,

EIN/SSN/EIN-Plan No.

Tax Period(s)

Form No.

990

Future Year

Future Year Code

(EO)

Information

Taxpayer is a veteran's organization that was determined to be exempt from taxation under section 501(c)(4) of the Internal Revenue Code. They fall under their parent's group ruling: Taxpayer's operate a bar that is open to both nonmembers/members. It was determined that nonmember receipts far exceeded those from members, even after the CPA did a reallocation of expenses.

The Service has determined that taxpayer is not operating primarily for the promotion of social welfare, if its primary activity is carrying on a business with the general public in a manner similar to organizations which are operated for profit. Revenue Ruling 68-46 describes a war veterans' organization that did not qualify for exempt status due to operating a public banquet and meeting hall, and having bar/dining facilities.

The Service has determined that it's exempt status is revoked with an effective date of

A copy of the revocation letter is attached. The taxpayer was incorporated on

their parent organization, letter was dated

Taxpayer falls under Their last modification

Ruling date on EOMF shows

Taxpayer is a taxable entity and should be reporting any income, employment and excise taxes for which it may be liable on Form 1120.

Contributions are no longer deductible as charitable contributions.

After is the effective date which contributions are no longer deductible as charitable contributions.

Prepared by

Date

Org. Code

Initiating

Phone No.

Activity

Approved by

Date

Address of

Initiating Activity

Action Taken (Attach Additional Sheets if Necessary)

After the initial audit, power-of-attorney (POA) was asked to recompute and allocate the expenses relating to nonmembers. The 990Ts originally prepared showed a very high percentage of nonmember gross receipts. The results of the relocated figures still showed a very high percentage being received from nonmembers. Agent solicited to POA that revocation was eminent and Forms 1120 would need to be secured on the following years:

This was done according to IRM 7(10)(12)(13).32(1)-(5).

Letter 1433(DO), proposed revocation letter, Form 6018 were mailed on
Taxpayer agreed to the revocation on

Delinquent Forms 1120 were secured for and sent to Center for processing. Remittance was obtained on The will be refunds due after all credits transferred from mft 34 to 02. Credit transfers requested by agent via Form 2424. Form 3870 was prepared to zero out the balance on 990Ts via TC 291 & 171.

Signature

Date

Phone No.

Form 5666

Department of the Treasury-Internal Revenue Service